

## Alcatel USA

**Approver:**

**HQAPPS.**

Jeff Keplar > Bill Costello > Mary Anne Gillespie > George Roberts > HQAPPS

**Request:**

**Discount Reinstatement Fee**

Service Reinstatement Fee as outlined by MAT is \$728,503. Request is to discount this number 50% to \$364,251.50.

Deal Summary	
Product Mix:	E-Business Suite Migration. Employee Users, Professional Users – External, Non Employee User - External
License Discount	25%
Support Discount	25%
Comp & Admin Discount	Na
Phased Implementation for Comp & Admin?	See checklist below
Support Options/Holds	
Price Holds	Employee Users, Professional Users – External, Non Employee User External
List License	\$605,00 (\$5,910,000 Less Credits)
List Support	\$170,805 Gold
List Comp & Admin	Na
Net License	\$432,128
Net Support	\$125,381
Net Comp & Admin	Na
Net Price	\$557,509
Price List Used	May 17, 2002

**Justification:**

Alcatel USA is moving forward with Oracle 11i Project despite global pressure to standardize on SAP and i2. This migration deal provides incentive to expand the user footprint. This migration is seen by Alcatel as an opportunity for Oracle to “recover” from a very damaging Support Renewal negotiation.

We have been working with Alcatel to migrate to new license metrics for over a year. The E-Business migration is the latest attempt, which began in earnest in February 2002. We provided the MAT team with the necessary info the first week in March and have been aggressively positioning with the customer every since.

In preparation to outlining our migration proposal to Alcatel executives, we received approval from OSSINFO on support numbers before and after the migration. Those numbers are available in an email summary from Travis Tom. Our proposals as communicated to Alcatel were based on MAT license data and Support renewal data per OSSINFO.

Tuesday May 28, we find out there is a support reinstatement fee required for this transaction that is based on licenses that have not been serviced or accounted for by Oracle Support for over 851 days. The MAT found licenses that were not accounted for by support since 2000. These licenses should have been, terminated, supported, or managed in some fashion. Now Alcatel is in effect being asked to pay a reinstatement fee to compensate for an Oracle mistake or oversight.



This Service Reinstatement fee eliminates the economic incentive to do this deal. As requested above, we should discount this to equal the Support amount for the migrated licenses. This will capture the value of all licenses that were considered in the MAT analysis.

Additional Detail: There are several Program Licenses that have been found by MAT that have 851 Days of unpaid support. These include:

- o 65 Named Users of Cobol contributes reinstatement fee of \$34,098.
- o 65 Named Users of SQL Net contributes reinstatement fee of \$183.61.
- o 6600 Named Users of Applications Bundle contributes reinstatement fee of \$391,932.01.

The remainder of the reinstatement fee is based on programs that are included in current support contracts and will be covered in the proposed \$364K fee outlined above.

**Recommendation:** *(leave blank for HQAPP to fill out)*

**Submitted By:**      **Shawn Peters**  
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R: *(leave blank for HQAPP to fill out)*

C:

L:

A:

BP:

*(Delete the section below if not applicable)*

**If Computer and Administration Services or Administration Services are being ordered please provide information below):**

Does this deal include Phased Implementation?

1. License minimums met at each implementation phase?
2. Computer and Administration or Administration Services hosting minimums met at each implementation phase? (\$6,000 monthly for C&A and \$4,000 monthly for Admin)
3. Standard Ordering Document Terms?
4. Standard pricing?
5. Customer is using the Certified Configuration (applies to Admin only)?